

Methodology for Providing Claims Services to City of Durham

Services

BSA will provide claims administration for workers' compensation and liability claims reported after the beginning of the contract and as agreed upon to handle all existing open and reopened claims reported prior to the contract. Claims will be handled to conclusion or for life of contract whichever occurs first.

BSA will provide the day-to-day claim services including but not limited to:

- Service, review, investigate, adjust, pay and/or resist workers' compensation and liability claims presented by The City of Durham employees
- Provide professional, courteous, licensed adjusters, for all lines, in good standing with the NC Department of Insurance. These adjusters will perform all adjusting work such as recorded statements and in-depth claim investigation, and will manage claims in accordance with the NC Workers' Compensation Act, and will work closely with City personnel. They will also respond to City requests in a timely manner. Claim assistants will provide support and may complete such tasks as: filing forms, paying bills, making copies, filing, etc. This support is provided at no charge to the City.
- Provide a claim intake process that will include accepting claims by telephone, fax, mail or via the internet. This system is available for after-hours calls or for claims that are called in.
- BSA will perform recorded statements as requested and will respond to normal requests during normal business hours.
- Establish claims reserves for each claim and provide continuous review of and continually update claims reserves to reflect establishment and/or change in claims reserves.
- Acknowledge to the City of Durham representatives in writing the receipt of all claims.
- Acknowledge to the City of Durham representatives in writing the receipt of all lawsuits and as litigation proceeds, BSA will provide continuous status updates.
- Prepare and maintain claim files, such files will be open at reasonable times for inspection and copying by the City of Durham representatives. Claims will be managed in accordance with the NC Workers' Compensation Act. BSA's employees will work closely with City representatives to manage the claims.
- Prepare, maintain, and file any and all records and reports that may be required by any state regulatory agency in connection with BSA's handling of claims as instructed by the City of Durham.
- Coordinate the assignment of utilization management and case management services on claims requiring such services. Charges for

such services are allocated loss expense, and thus the City of Durham will be billed for such expenses in addition to claim handling fees

- Provide cost containment services including but not limited to, hospital and medical bill audits, utilization reviews, peer reviews and rehabilitation services either through the use of an outside vendor, MCMC. Charges for such medical cost containment are allocated loss expense and thus the City of Durham will be billed for such services in addition to claim handling fees.
- Provide bill review services to reduce bills to fee schedule or reasonable and customary amounts as applicable. Further reductions for utilization of preferred provider organizations will also be administered. Charges for bill review services are allocated loss expense, and thus the City of Durham will be billed for such expenses in addition to claim handling fees. BSA utilizes the services of a subcontractor, MCMC to perform all or a portion of such bill review services.
- Pay out of the City of Durham claim fund account for disability benefits, medical benefits, death benefits, allocated loss expense and any other loss and expense that may be required to comply with the workers' compensation laws. Pay out of the City of Durham claim fund account for any expenses or settlement associated with liability claims.
- Provide information requested by any appropriate excess insurance carrier, certified public accountants, attorneys or actuaries as may be reasonably directed by the City of Durham.
- Provide CMS Section 111 reporting.
- Provide periodic reports, defense strategies, settlement options; attend mediations; meet with City employees about specific claims.
- Pay out of City funds employer taxes, and social security due to state and federal governments; pay for employee benefits.
- Assume responsibility for managing claims from the City's current claims administrator (fees for this service provided in cost proposal).

Loss Control Services

Although our claim handling expertise and proven performance has helped clients achieve superior claim outcomes, the most dramatic savings result from a focused and sustained loss control initiative. BSA is firmly committed to providing professional loss control services to our workers' compensation and liability risk management partners. Our belief in this valuable service stems from the positive bottom line impact we have helped our clients achieve. Our solution-focused consulting services, performed in conjunction with effective claims handling and management commitment, increases safety awareness, reduces employee exposure to injury and minimizes workers' compensation and liability costs. The loss control and claims staffs work seamlessly to provide integrated services that set us apart from any other company. If our claims staff believes that a safety related issue was the cause of a claim or if the injury meets specific triggers, a 'Risk Alert' is sent to the loss control department requiring follow up



action. Additionally, claims and loss control work together in assisting our clients and injured employees accomplish early return to work through modified transitional duty programs.

Our loss control professionals have the education (B.S. Occupational Safety & Health), the experience (100 years in the safety field), and professional achievements (Certified Safety Professionals, Associate in Loss Control Management) to provide the highest quality services including but not limited to:

- Recommend safety awareness and safe behavior recognition initiatives
- On-site hazard assessments and work practice evaluations
- Training seminars for management, principals, managers, and employees on critical safety and health subjects.
- Attend safety committee meetings and offer suggestions for enhancing function
- Complete accident trend and loss analysis to develop targeted action plans
- Conduct accident investigation for injuries of a serious and frequent nature
- Assistance with OSHA compliance
- Benchmarking reports

BSA's loss control team is experienced in formulating and implementing loss control programs, ergonomic improvement programs and OSHA compliance. The loss control services are provided to build or enhance safety programs already in effect. Employee training and assistance in establishing safety committees and incentive programs is offered to reduce at-risk behaviors and increase safety awareness. Extensive resources are available for training, including a video library.

Financial Services

BSA serves the majority of our individual self-insured clients by offering financial administration services to support the day-to-day needs in managing their workers' compensation and liability bank accounts. Anchored by a CPA, our financial services team will provide:

- Establish bank account
- Issue checks for all claim expenses
- Bank account reconciliation
- Reconcile check register to loss runs and to General Ledger
- Provide a roll forward of claims paid by year
- Interact with the City of Durham accounting department, and external CPA and/or auditors to assist in preparing required financial reports
- Provide information as requested for the continued approval of self-insured status
- Cost benefit analysis of self-insured workers' compensation and liability program



Claims Information System

BSA has invested significant resources in to a Windows PC-based claim management system, driven by Microsoft SQL Server Enterprise Edition. These investments were client-driven to support the risk management claim management demands of self-insured employers. Services provided to the City of Durham include but not limited to:

- Account set-up to establish reporting structure reflecting payroll location numbers, after being provided with supporting information from the City
- Perform electronic file conversion from current TPA
- Provide electronic monthly loss runs including claim detail, summary reports, injury by body part, etc.
- Our database is an open, industry-standard system thereby allowing data to be extracted in practically any format, both printed and electronic to meet client needs. Ad hoc reports will be made available.
- One-time and on-going EDI (electronic data interchange) are routines are incorporated into the core claim management database. This enables tasks such as required reporting to the NC Industrial Commission, financial data transfer, and excess reporting to be done without the involvement of information technology staff. BSA will also provide export files to the City's RMIS.
- Files will provide documentation that will include support for recommendations to pay, compromise, or deny claims and will include:
 - i. Communications with claimants, witnesses, City staff, attorneys, and others involved in the claims
 - ii. Recorded statements that are attached to adjuster notes and can be listened to online
 - iii. Medical, rehabilitation, and other benefits
 - iv. Investigative information, including all notes, reports, and materials related to investigation of the claim
 - v. Mediations, settlement discussions, etc.
 - vi. Settlement evaluation documents
 - vii. Industrial Commission forms and orders
 - viii. Denial letters
 - ix. Attorney communications and billings
 - x. All expenses of the claim
 - xi. Adjuster time and non-adjuster time, and other service fees to be billed to the City
- Provide 24/7 access to claim and report information to selected the City of Durham representatives through our online system called Powerview.
- Enable on-line filing of first reports of injury and first reports of loss

Service Commitment

- BSA will enter all first reports the date of receipt; if received after 3:00 PM, all first reports will be entered the next morning. BSA' adjusters will begin work on each new first report within 24 hours or less.
- BSA will return all calls or respond to other communications the same day; if received after 3:00 PM EST, before 12:00 PM EST the next day.
- BSA will provide periodic communications with the City, defense counsel and excess carriers, as required or requested.
- BSA will respond to all inquiries by the City within 24 hours.
- BSA will provide the City with a strategy to minimize the increase in the number of pending claims from one fiscal year to the next and over multi-year periods. *BSA has a track record of helping employers reduce outstanding claim counts.*
- BSA will respond within 24 hours, or more quickly, for requests for activity checks.

Proposed Service Team for City of Durham

In order to provide the City of Durham with the quality service that it expects and deserves, Brentwood Services proposes the following staffing team:

- 1 Account Executive (John Smitherman)
- 1 Claim Manager (Mark Weaver)
- 2 Supervisors (Mark Weaver for WC, Mike Petty for GL)
- 1 Indemnity Adjusters (Debbie Wentz)
- 1 back up indemnity adjuster in Raleigh (Theresa Russell)
- 1 General Liability Adjuster (BSA will hire an adjuster for the City, with the City's input)
- 1 Medical Only Adjuster (Leigh Purucker)
- 2 Claim Assistants

DETAILED INFORMATION ON STAFF PROVIDED UNDER TAB 6